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M/047/013

MCKEACHNIE & ALLRED  
FACSIMILE TRANSMISSION COVER SHEET

DATE: December 23 1992  
FAX# SENT TO: 357-3940  
ATTENTION: Joelle  
COMPANY: Division of Oil Gas & Mining  
FROM: Wayne McKeachnie - (Engel Chemical)  
NUMBER OF PAGES BEING SENT (including this one): 3

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## MESSAGE:

Joelle - Here is the form we discussed  
The Bank wants to make the changes  
indicated in paragraphs 2 & 3 and  
delete paragraph 6.

We will expect a call on Monday  
Thanks

Wayne McKeachnie

PLEASE NOTE: The information contained in this facsimile message is privileged and confidential and is intended only for the use of the individual or entity named above and others who have been specifically authorized to receive it. If you are not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication error, or if any problems occur with transmission, please notify us immediately by telephone. Thank you.

DSM 100

Form Last Revised - December 14, 1988

Letter of Credit No. \_\_\_\_\_ Issuing Bank/Surety \_\_\_\_\_  
Date: \_\_\_\_\_ Expiration Date \_\_\_\_\_

UTAH DIVISION OF OIL, GAS AND MINING  
9 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Gentlemen and Ladies:

1. \_\_\_\_\_ [Name of Bank or Surety], ("Surety or Bank")  
\_\_\_\_\_, [city/state], hereby establishes this irrevocable letter of credit  
(the "Letter of Credit") in favor of the Utah Division of Oil, Gas and Mining ("Division") for an aggregate amount  
not to exceed \$ \_\_\_\_\_ [reclamation cost estimate] in United States dollars  
("Face Amount") effective immediately.

2. This Letter of Credit will expire upon the first event set forth as follows: (a) 5:00 o'clock p.m. *New York*  
*city* ~~city~~ (city time) on \_\_\_\_\_ [expiration date] or (b) the date upon which sufficient  
documents are executed by the Division to release \_\_\_\_\_ ("Operator") from further  
liability for reclamation of the \_\_\_\_\_ [mine] \_\_\_\_\_ [mine permit #]  
with notice to Bank or Surety by the Division accompanied by the original Letter of Credit with directions for  
cancellation.

3. This Letter of Credit will be automatically extended for successive periods of one year from the current  
or any future expiration date unless the Surety or Bank gives notice to the Division 90 days prior to the expiration  
date that the Surety or Bank elects not to renew the Letter of Credit.

4. Funds under the Letter of Credit are available against the Division's right draft, in the form of Exhibit  
A. specifying Letter of Credit No. \_\_\_\_\_ delivered to the office of the Surety or Bank,  
\_\_\_\_\_, [address]. At the Division's sole election,

the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

5. If the Surety or Bank receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the expiration or termination of this Letter of Credit, the Surety or Bank will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following the Surety's receipt of the sight draft and certificate and in such a manner as the Division may specify.

6. The Surety will give prompt notice to the operator and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Surety, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Surety's charter or license to do business.

7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1983 revision, International Chamber of Commerce Publication NO. 400, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

8. All communications regarding this Letter of Credit will be addressed to the Surety or Bank \_\_\_\_\_ [address], referencing Letter of Credit No. \_\_\_\_\_

Very truly yours,

\_\_\_\_\_  
The Surety or Bank

By: \_\_\_\_\_  
Title of Authorized Officer: